




**ROYAL BANK
OF CANADA**

**NOTICE OF THE ANNUAL MEETING
OF COMMON SHAREHOLDERS
AND
MANAGEMENT PROXY CIRCULAR**

December 3, 1991



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ROYAL BANK
OF CANADA

NOTICE OF THE ANNUAL MEETING OF COMMON SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of Common Shareholders of Royal Bank of Canada will be held in Le Grand Salon of The Queen Elizabeth hotel, 900 René-Lévesque Blvd. West, in the City of Montreal, Province of Quebec on Thursday, the 23rd day of January 1992 at 10:30 o'clock in the forenoon for the following purposes:

- (1) to receive the Financial Statements of the Bank for the year ended October 31, 1991, and the Auditors' Report thereon;
- (2) to elect Directors;
- (3) to appoint Auditors;
- (4) to fix the Auditors' remuneration; and
- (5) to transact such other business as may properly be brought before the meeting.

Montreal, December 3, 1991

BY ORDER OF THE BOARD

J.E. LAWSON
Vice-President and Secretary

IMPORTANT

Shareholders who are unable to be present at the Annual Meeting of Common Shareholders are requested to sign and return the enclosed Form of Proxy in the envelope provided for that purpose. Proxies must be received at the Montreal office of Montreal Trust Company of Canada, the Transfer Agent, at least 48 hours prior to the meeting.

MANAGEMENT PROXY CIRCULAR

(As of December 3, 1991, except as otherwise provided)

SOLICITATION OF PROXIES

THIS MANAGEMENT PROXY CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF ROYAL BANK OF CANADA (THE "BANK") OF PROXIES FOR USE AT THE ANNUAL MEETING OF COMMON SHAREHOLDERS OF THE BANK TO BE HELD ON THE 23RD DAY OF JANUARY 1992 AT THE PLACE AND FOR THE PURPOSES SET FORTH IN THE NOTICE OF MEETING ACCOMPANYING THIS MANAGEMENT PROXY CIRCULAR.

The cost of solicitation will be borne by the Bank. The solicitation will be primarily by mail. However, the directors, officers and regular employees of the Bank may also solicit proxies by telephone, telegram or in person.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On November 20, 1991, the Bank had outstanding 306,460,101 Common Shares. Subject to the provisions of the Bank Act, shareholders as at the record date of December 9, 1991 are entitled to one vote for each such share held. Shareholders who acquire their shares subsequent to December 9, 1991 may acquire voting rights provided they request the Bank not later than 10 days before the meeting to add their name to the voters' list.

To the knowledge of the directors and officers of the Bank, no person on November 20, 1991 owned or exercised control or direction over more than 10% of the outstanding Common Shares of the Bank.

VOTING RESTRICTIONS

Under the provisions of the Bank Act, the voting rights pertaining to a share of the capital stock of the Bank may not be exercised if:

- (a) the shareholder is a resident of Canada who holds the share in the right of or for the use or benefit of a non-resident, other than a non-resident who is a United States resident;
- (b) the shareholder holds the share in the name or right of or for the use or benefit of the government of Canada or of a province, or an agent thereof (including an official, trustee or corporation administering, managing or investing a fund established to provide

compensation, hospitalization, medical care, annuity, pension or similar benefits to particular classes of individuals, or moneys derived from such a fund), or the government of a foreign state or political subdivision, or an agent thereof;

- (c) the share is held in the name or right of or for the use or benefit of a person and the total number of shares held by or for that person, or that person and other persons deemed to be associated with him, exceeds 10% of the outstanding shares of the Bank (a holder of 5,000 shares or less is assumed not to be associated with any other shareholder); or
- (d) the share is held by or on behalf of a guarantee fund or pension fund to which a bank or a Quebec savings bank is a contributor.

In certain cases, voting rights may be exercised notwithstanding the restrictions referred to above.

The foregoing is a summary only. A copy of the relevant sections of the Bank Act will be forwarded to any shareholder upon request made to the Secretary of the Bank at the Bank's Head Office.

APPOINTMENTS AND REVOCATION OF PROXIES

The persons named in the enclosed Form of Proxy are directors and officers of the Bank. **SHAREHOLDERS DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT THEM AT THE MEETING MAY DO SO** (see Note 3 on the Form of Proxy), either by inserting such person's name in the blank space provided in the Form of Proxy and deleting the names printed thereon or by completing another proper Form of Proxy and, in either case, delivering the completed Proxy to Montreal Trust Company of Canada, the Transfer Agent of the Bank, at least 48 hours prior to the meeting.

A shareholder who signs and returns the enclosed Form of Proxy may revoke it at any time before it is acted upon by depositing written notification at the Head Office of the Bank not later than the last business day preceding the day of the meeting or with the Chairman of the meeting on the day of the meeting or an adjournment thereof.

VOTING SECRECY

Proxies are counted and tabulated by Montreal Trust Company of Canada, the Transfer Agent of the Bank, in such a manner as to preserve the confidentiality of individual shareholder votes, except (a) where the shareholder clearly intends to communicate his or her individual position to management, and (b) as necessary to meet the requirements of applicable law.

EXERCISE OF DISCRETION BY PROXY

The shares represented by any Proxy in the form enclosed herewith and appointing the persons designated thereon or any of them to represent the shareholder at the meeting will be voted in accordance with the specifications given by the shareholder. **IN THE ABSENCE OF ANY CONTRARY INSTRUCTION, THE SHARES REPRESENTED BY PROXIES RECEIVED BY MANAGEMENT WILL BE VOTED ON ANY BALLOT WHICH MAY BE HELD "FOR" THE ELECTION OF THE MANAGEMENT NOMINEES FOR DIRECTORS, "FOR" THE APPOINTMENT OF THE AUDITORS NAMED HEREIN, "FOR" THE FIXING OF THE REMUNERATION OF SUCH AUDITORS AND "FOR" MANAGEMENT'S PROPOSALS GENERALLY.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting.

As at the date hereof, management is not aware that any other matter is to be presented for action at the meeting. If, however, other matters properly come before the meeting, the persons designated in the enclosed Form of Proxy will vote thereon in accordance with their judgement pursuant to the discretionary authority conferred by such Proxy with respect to such matters.

A simple majority of the votes cast at a meeting, whether by Proxy or otherwise, will constitute approval of any matter submitted to a vote at the meeting.

ELECTION OF DIRECTORS

The Board consists of a minimum of 20 and a maximum of 50 directors, who are required to be elected annually. The persons named on the enclosed Form of Proxy intend to vote for the election of the nominees whose names are set forth below and who are now directors. Each director will be elected to hold office until the next Annual Meeting of Common Shareholders or until such office is earlier vacated.

The Board of Directors does not have an executive committee. **Directors who are members of the audit committee are so designated herein.** The undernoted table sets forth the names of the persons proposed to be nominated for election as directors together with their principal occupation, the year in which they became directors of the Bank and the number of shares beneficially owned, directly or indirectly, or over which control or direction was exercised on November 20, 1991.

Additionally, as required by the Bank Act, set out below is a summary of the record of attendance by directors at Board, Committees of the Board and Regional Director Committee meetings during the 12 months ended October 31, 1991. During this period, 12 Board meetings were held: Montreal (5), Toronto (5), Ottawa (1), Vancouver (1). Committees of the Board held meetings as follows: Audit (11), International Strategic Issues (2), Loan Policy (24), Nominating (3), Personnel & Compensation (3), Public Policy (4). Regional Director Committees held meetings as follows: Atlantic (4), Quebec (4), Ontario (4), Manitoba (4), Saskatchewan (5), Alberta (4), British Columbia (10), New York (4), London, England (4).

Name & Principal Occupation	Municipality of Residence	Director Since	Shares of the Bank Beneficially Owned*		Number of Meetings Attended Board Committees**	
			Common	Preferred		
Sir James Ball, M.A., Ph.D. Professor of Economics London Business School (Director, The Royal Bank of Canada Holdings (U.K.) Limited)	Surrey, England	Sept. 5, 1990	1,800	—	9	2
Jacques Bougie President and Chief Operating Officer Alcan Aluminium Limited (Fully integrated international aluminium products company) (During past five years, has held executive positions with Alcan Extrusions (Canada) and Alcan Enterprises (North America) and since July 1989, has held current position)	Outremont, Quebec	Nov. 5, 1991	—	—	—	—
Robert W. Campbell Retired Chairman Canadian Pacific Limited (Oil & gas, mining, forest products and transportation)	Calgary, Alberta	March 6, 1984	600	—	11	2
Robert M. Chipman Chairman The McGill-Stephenson Company Limited (Management company) (Member Audit Committee)	Winnipeg, Manitoba	May 5, 1986	11,512	—	12	8
John E. Cleghorn † President & Chief Operating Officer Royal Bank of Canada	Westmount, Quebec	Nov. 3, 1987	26,131	—	11	31
Ronald L. Cliff, C.M., C.A. Chairman BC Gas Inc. (Energy company) (Member Audit Committee)	Vancouver, B.C.	April 7, 1987	81,323	—	10	12
George A. Cohon, C.M. Chairman, President and Chief Executive Officer McDonald's Restaurants of Canada Limited (Quick service restaurants)	Toronto, Ontario	June 1, 1988	2,000	—	10	4

Name & Principal Occupation	Municipality of Residence	Director Since	Shares of the Bank Beneficially Owned*		Number of Meetings Attended Board Committees**	
			Common	Preferred		
Pierre Des Marais II President and Chief Executive Officer UniMédia Inc. (Publishing)	Outremont, Quebec	March 6, 1990	786	—	12	4
Mitzi S. Dobrin, C.M. Chairman & Chief Executive Officer DBRN Holdings Ltd. (Investment company)	Montreal, Quebec	Nov. 30, 1976	5,027	—	12	25
John R. Evans, C.C., M.D. Chairman Allelix Biopharmaceuticals Inc. (Biotechnology) (Member Audit Committee)	Toronto, Ontario	March 6, 1984	3,000	—	12	14
John T. Ferguson President & Chief Executive Officer Princeton Developments Ltd. (Real estate)	Edmonton, Alberta	April 3, 1990	1,022	—	11	22
The Hon. Paule Gauthier, P.C., O.C., Q.C. Partner Stein, Monast, Pratte & Marseille (Barristers & Solicitors) (During the past five years has held current position)	Quebec, Quebec	Oct. 1, 1991	2,002	—	1	—
Arden R. Haynes Chairman and Chief Executive Officer Imperial Oil Limited (Integrated petroleum company)	Don Mills, Ontario	June 11, 1985	548	—	9	3
Charles H. Knight Chief Executive Officer Denro Holdings Ltd. (Land development)	Regina, Sask.	Feb. 1, 1983	2,500	—	11	2
Walter F. Light, O.C., O.Ont. Retired Chairman Northern Telecom Limited (Design and manufacture of telecommunication systems) (Member Audit Committee)	Toronto, Ontario	July 11, 1978	11,000	—	11	14
The Hon. E. Peter Lougheed, P.C., C.C., Q.C. Senior Partner Bennett Jones Verchere (Barristers & Solicitors)	Calgary, Alberta	Feb. 4, 1986	400	—	7	4

Name & Principal Occupation	Municipality of Residence	Director Since	Shares of the Bank Beneficially Owned*		Number of Meetings Attended Board Committees**	
			Common	Preferred		
Clifford S. Malone Vice-Chairman United Corporations Limited (Investments) (Director, Royal Bank Leasing Inc.)	Toronto, Ontario	May 20, 1975	5,000	—	12	7
Alexander B. Marshall Chairman The Maersk Company Limited (Transportation company) (Director, The Royal Bank of Canada Holdings (U.K.) Limited) (Member Audit Committee)	London, England	Oct. 1, 1985	—	—	10	13
J. Pierre Maurer Retired Vice-Chairman of the Board Metropolitan Life Insurance Company (New York) (Life insurance company) (Member Audit Committee)	New York, N.Y.	April 23, 1975	16,322	—	12	16
G. Wallace F. McCain President McCain Foods Limited (Frozen foods)	Florence- ville, N.B.	Sept. 3, 1986	119,000	—	9	4
Dawn R. McKeag President Walford Investments Ltd. (Holding company)	Winnipeg, Manitoba	March 1, 1978	12,000	200 (1st B)	12	3
J. William E. Mingo, Q.C. Barrister Stewart McKelvey Stirling Scales (Barristers & Solicitors)	Halifax, N.S.	April 5, 1983	13,500	—	12	12
J. Edward Newall President and Chief Executive Officer NOVA Corporation of Alberta (Natural gas transmission, manufacturing and marketing of chemicals and plastics)	Calgary, Alberta	Sept. 5, 1984	2,140	—	11	2
Ronald W. Osborne, F.C.A. President and Chief Executive Officer Maclean Hunter Limited (Communications company) (During the past five years has held current position)	Toronto, Ontario	Oct. 1 1991	—	—	1	—

Name & Principal Occupation	Municipality of Residence	Director Since	Shares of the Bank Beneficially Owned*		Number of Meetings Attended Board Committees**	
			Common	Preferred		
Ralph A. Pfeiffer, Jr. Retired Chairman & Chief Executive Officer IBM World Trade Corporation (Information technology) (Member Audit Committee)	Greenwich, Connec- ticut	June 12, 1984	600	—	11	14
Neil F. Phillips, Q.C. Resident Senior Counsel Goodman Freeman Phillips & Vineberg (Barristers & Solicitors)	New York, N.Y.	Feb. 1, 1972	18,000	—	11	20
Herbert C. Pinder President Saskatoon Trading Company Limited (Property holding company)	Saskatoon, Sask.	June 5, 1970	9,645	—	12	22
Kenneth C. Rowe, F.C.I.S. Chairman, President and Chief Executive Officer I.M.P. Group Limited (Aerospace, marine products & manufacturing)	Halifax, N.S.	Nov. 5, 1985	113,217	—	10	2
Guy Saint-Pierre President and Chief Executive Officer The SNC Group (Engineering & manufacturing)	Montreal, Quebec	Nov. 6, 1990	3,090	—	10	3
Robert T. Stewart Chairman, President and Chief Executive Officer Scott Paper Limited (Canadian manufacturers of sanitary & convenience paper products)	West Vancouver, B.C.	April 5, 1988	800	—	10	3
Allan R. Taylor † Chairman & Chief Executive Officer Royal Bank of Canada	Don Mills, Ontario	June 7, 1983	56,024	—	12	40
John A. Tory, Q.C. Deputy Chairman The Thomson Corporation (Publishing and travel company) (Member Audit Committee)	Toronto, Ontario	March 10, 1971	31,406	—	9	4
William P. Wilder Company Director	Toronto, Ontario	Sept. 9, 1980	50,000	—	11	23
Victor L. Young Chairman & Chief Executive Officer Fishery Products International Limited (Frozen seafood products) (During the past five years has held current position)	St. John's, New- foundland	April 2, 1991	200	—	7	3

* Includes shares over which control or direction was exercised as of November 20, 1991 by the person named even in those cases when beneficial ownership of some or all of the shares is disclaimed.

** Excludes attendance at Regional Director Committee meetings.

† See the Phantom Plan described under "Long Term Performance and Investment Plan" on Page 9.

Directors during fiscal 1991, who are not standing for re-election on January 23, 1992 attended meetings as follows:

	Board	Committees**
Ian A. Barclay	11	23
George H. Blumenauer	12	24
Jock K. Finlayson	11	6
Rowland C. Frazee, C.C.	12	20
Claude Pratte, Q.C.	5	1
Charles I. Rathgeb	10	3

DIRECTORS' AND OFFICERS' REMUNERATION

During the fiscal year ended October 31, 1991, the aggregate remuneration paid by the Bank and its subsidiaries to its directors and officers was as shown in the table below. Directors are compensated as follows: (i) annual retainer of \$16,000; (ii) each Board meeting attended - \$900; (iii) each Board Committee meeting attended - \$700; (iv) Loan Policy Committee \$350 per meeting plus an annual retainer of \$2,500; (v) Committee chairpersons (excluding Regional

Committees) receive an additional annual retainer of \$2,000; and (vi) each Regional Committee meeting attended to a maximum of four - \$700. Effective November 1, 1991, the annual retainer has been increased from \$16,000 to \$18,000 and the fee for attendance at each Board meeting from \$900 to \$950. Directors are reimbursed for transportation and other expenses incurred for attendance at Board and Committee meetings.

	Directors' Fees	Salaries	Other (Note 1)	Total
Remuneration of Directors				
A) No. of Directors: 42				
B) Corporation incurring the expense				
Royal Bank of Canada	\$1,231,659			\$1,231,659
Royal Bank Leasing Inc.	5,625			5,625
The Royal Bank of Canada Holdings (U.K.) Limited	5,514			5,514
Remuneration of Officers				
A) No. of Officers: 224 (including retirees during year)				
B) Corporation incurring the expense				
Royal Bank of Canada	26,800	27,916,671	3,202,169	31,145,640
Totals	\$1,269,598	\$27,916,671	\$3,202,169	\$32,388,438

Note 1 - Figure consists of benefits other than salary to officers on transfer to national and international locations (\$2,480,580) as well as the Bank's contributions on behalf of officers to the Employee Savings Plan (\$721,589). There were no non-accountable expense allowances.

LONG TERM PERFORMANCE AND INVESTMENT PLAN

Currently, 210 officers are voluntary participants in this Plan whereunder the Bank makes loans or arranges for another financial institution to make loans to eligible officers in amounts determined by the Personnel and Compensation Committee of the Board of Directors, which amounts are used exclusively to purchase Common Shares of the Bank at then applicable market prices. Loans made by the Bank are interest free and the Bank reimburses the interest paid by eligible officers on the loans arranged with the other financial institution. These loans are subject to reduction by the amounts of performance awards made to participants after three years on targets determined at the beginning of each three-year performance period based on projected three-year compound growth in the book value of Common Shares and the Bank's return on equity in the third year of the performance period. In the event of retirement after age 55 and 10 years of continuous service, the balance, if any, of any loan outstanding at the end of the last performance period in which the retirement occurs, after application of any performance award and the proceeds from the disposition of the shares, is forgiven.

A Phantom Plan corresponding in its terms to the captioned Plan has been in place for those officers who are directors of the Bank. Loans were not made and shares were not purchased but at the end of each three-year performance period, calculation was made as if loans had been made and the shares purchased and disposed of at the end of each performance period with the same effect as under the Plan. Effective November 1, 1990, the Phantom Plan arrangement was discontinued and officers who are directors of the Bank now participate in the captioned Plan available to other officers as described above. The numbers of equivalent shares deriving from the participation of the following officers of the Bank in the Phantom Plan as of October 31, 1991, were as follows:

<u>Name of Officer</u>	<u>Equivalent Shares</u>
A.R. Taylor	26,148
J.E. Cleghorn	11,899

Performance awards made in January 1991 pertaining to the three-year performance period ended October 31, 1990, including amounts determined for Phantom Plan participants, amounted to \$3,811,437. The aggregate amount of such awards to be made subsequent to October 31, 1991 pertaining to the performance period ended October 31, 1991 is estimated to be \$4,100,000.

INCENTIVE PLAN

Incentive bonuses based on individual performances and the general financial performance of the Bank in relation to targets for return on equity in each fiscal year are paid following the end of the fiscal year to officers and employees. The aggregate of such bonuses for the period ended October 31, 1990 in respect of officers was \$8,352,439. The aggregate of such bonuses to be paid to officers subsequent to October 31, 1991 pertaining to the fiscal year then ended has not yet been determined but is estimated to be \$8,000,000.

AUTOMOBILE PLAN

Officers are eligible to participate in a leased automobile program for business and personal use. Rental, maintenance and operational costs are for account of the Bank. Costs attributable to this Plan in the last fiscal year are estimated at \$2,628,817.

STAFF LOAN PLAN

Eligible employees are permitted to borrow from the Bank, within certain prescribed limits and subject to the normal credit granting criteria applied to regular customer loans, at varying staff interest rates for purchases of or improvements to residential properties, investments in shares of the Bank, purchases of durable consumer goods or for certain other personal use purposes. Deemed taxable benefits arising from all loans outstanding to officers in the last fiscal year pursuant to Section 80.4 of the Income Tax Act (Canada) are estimated at \$1,900,000.

TERMINATION OF EMPLOYMENT (Retirement)

Pension and retirement allowance plans are in effect to provide certain senior officers on retirement with annual retirement income of up to 60% of final average salary (including short term incentive bonus). Lump sum retirement allowance payments equal to 1% x years of service to December 31, 1986 x salary as at December 31, 1986 are also paid. The value of the foregoing compensation exceeds \$60,000.

INDEBTEDNESS OF DIRECTORS

Except as stated hereunder, none of the Bank's directors, or proposed nominees for election as directors, were indebted to the Bank or any of its subsidiaries during the year ended October 31, 1991 other than for such loans as are excluded from reporting by the form of proxy regulations

under the Bank Act and applicable Canadian securities laws. The undernoted are also senior officers or former senior officers of the Bank and as such received loans to assist in the acquisition of housing or Bank shares or for personal requirements.

Name & Address	Maximum Indebtedness During Year Ended October 31, 1991	Balance Outstanding November 20, 1991	Interest Rate
J.E. Cleghorn, Montreal	\$599,226	\$566,013	3, 6, 8.5%
J.K. Finlayson, Montreal	\$ 15,000	\$ 5,000	3%
A.R. Taylor, Toronto	\$441,376	\$418,614	3%

INDEBTEDNESS OF EXECUTIVE OFFICERS

Loans granted under the Bank's Staff Loan Plan which are not within the definition of routine indebtedness set out in the proxy regulations under applicable Canadian securities laws amounted to an aggregate of \$6,662,582. Housing loans, secured by collateral mortgage and primarily related to Bank initiated transfers of executive officers to major metropolitan areas in Canada, the United States and the United Kingdom, included in the above aggregate totalled \$3,440,693 and are amortized over 20 or 25 years. The first \$50,000 of such housing loans is granted at 1% interest per annum, the balance at 4% per annum, for an initial 3-year period; in the fourth year the rates are 2% and 5% per annum respectively. Thereafter, these loans currently bear interest at rates between 3% and 6% per annum. Loans granted to assist with housing purchases not made in conjunction with Bank initiated transfers bear interest at a minimum 6% rate per annum subject to review at the end of 5 years.

Housing loans secured by mortgages not granted under the Bank's Staff Loan Plan which are not within the definition of routine indebtedness set out in the proxy regulations under applicable Canadian securities laws amounted to an aggregate of \$707,071. Such housing loans bear interest at the Bank's regular customer rates and vary depending on term. Currently the Bank's interest rates on mortgages to customers vary from 8.50% to 10% per annum. Loans other than for housing, including those made for short term bridging purposes, total \$2,085,006 and bear interest at rates between 3% per annum and Royal Bank Prime. There is an additional \$1,136,883 in interest free Bank loans and a further \$3,621,061 of market rate loans arranged through another financial institution on which the Bank reimburses interest paid by executive officers, all such loans being used to purchase Common Shares of the Bank pursuant to the provisions of the Bank's Long Term Performance and Investment Plan.

Name & Address	Maximum indebtedness during year ended October 31, 1991	Balance outstanding November 20 1991
N.C. Achen, Toronto	100,822	21,857
R.L. Arsenault, Montreal	36,496	21,934
M.C.S. Baptista, Burlington	152,433	151,946
D.A. Berardinucci, Montreal	305,166	289,075
T.W. Bleackley, Toronto	40,118	25,500
J.H.E. Bolduc, Montreal	91,711	59,193
J.T. Burnett, Toronto	239,335	25,133
C.S. Coffey, Winnipeg	19,488	11,995
M.A. Corlett, Toronto	292,269	278,091
A.R. Creasor, Toronto	484,243	481,138
L.G. Edmonds, Regina	67,494	51,357
H.E. Elsie, Toronto	68,818	58,738
G.J. Feeney, Montreal	321,528	200,847
W.R. Fithern, Montreal	34,533	20,791
G.F. Gaffney, Vancouver	488,010	465,175
B.C. Galloway, Toronto	95,747	35,739
G. Gill, Montreal	266,518	255,736
W.J. Gorman, Toronto	121,154	102,697
J.C. Grant, Toronto	101,303	98,814
B.P. Griffiths, Toronto	178,733	172,064
J.A.R. Guay, Montreal	203,531	203,277
R.G. Hall, Toronto	293,825	292,270
G.J. Johnson, Toronto	435,749	432,833
B.V. Kelly, Toronto	234,421	170,507
D.N. Kitchen, Calgary	101,587	83,016

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Bank has purchased at its expense group liability insurance in the amount of \$75,000,000 for its protection and for the protection of its directors and officers against liability incurred by them in their capacities as directors and officers of the Bank and its subsidiaries. For the period from May 1, 1991 to May 1, 1992, the Bank paid a total premium of \$1,058,954 of which \$953,058 was for the Bank's protection; \$52,948 was in respect of the directors as a group; and \$52,948 was in respect of the officers as a group. In any case in which the Bank is not permitted by law to reimburse the director or officer, no deductible applies. Where the Bank is permitted to reimburse the director or officer, the deductible is \$5,000,000.

Name & Address	Maximum indebtedness during year ended October 31, 1991	Balance outstanding November 20 1991
J.E. Lawson, Montreal	153,983	143,833
D.M. Leahey, Montreal	209,087	179,916
W.A.R. MacDonald, Toronto	293,815	234,628
I.A. Mackay, Toronto	267,433	240,554
C.R. Markwell, Montreal	104,554	94,872
R.A. Masleck, London, England	35,536	21,172
W.J. McCartney, Montreal	169,891	146,381
T.R. McDermid, Toronto	217,161	179,595
V.G. McKay, Tokyo, Japan	64,578	50,525
J. Merriam, Montreal	71,297	59,719
E.P. Neufeld, Toronto	93,094	56,926
D.P. Pritchard, London, England	104,411	104,411
J.N.T. Rednall, Sao Paulo, Brazil	86,246	21,515
D.L. Robertson, New York, U.S.A.	441,279	439,806
B. Schroder, Toronto	240,938	203,626
J.H. Shaw, Montreal	42,567	38,952
K.A. Smee, Toronto	66,518	52,593
E.G. Stone, Toronto	91,651	76,373
R.J. Sutherland, Halifax	209,501	192,991
G.G. Tallman, Montreal	264,424	209,414
P.A. Taylor, Toronto	273,071	37,196
M.L. Turcotte, Montreal	136,101	119,253
A.A. Webb, Montreal	383,140	363,198
D.S. Wells, Montreal	107,442	92,481

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Since the commencement of the Bank's last completed financial year, the Bank has not entered into any transaction with any present, contemplated or proposed director or with any proposed management nominee for election as a director or with any officer or any associate of or any corporation controlled by any such director or officer, nor does it propose to enter into any such transaction that has materially affected or will materially affect the Bank or any of its subsidiaries.

LEGAL PROCEEDINGS

The Bank continued to be subject to various lawsuits challenging certain of its practices or actions. A majority of these suits are loan-related. That is, they involve claims or counterclaims brought in reaction to steps the Bank has taken to collect delinquent loans and enforce rights it has in collateral securing such loans. As at November 20, 1991, the aggregate liability which could result from all these suits, however, was not considered material.

APPOINTMENT OF AUDITORS

The Bank Act requires shareholders to appoint two firms of accountants to be the Auditors of the Bank until the next Annual Meeting. If the same two firms have been appointed for two consecutive years, one such firm shall not be appointed for a period of two years following the expiration of the term of its last appointment.

The firms of Deloitte Haskins & Sells, Touche Ross & Co. and Price Waterhouse and the merged firm of Deloitte & Touche have held appointments on the foregoing basis during the five financial years ended October 31, 1991.

The persons named in the enclosed Form of Proxy intend to vote for the reappointment of Deloitte & Touche (served since February 1, 1990) and the appointment of Peat Marwick Thorne as Auditors of the Bank until the Annual Meeting of Common Shareholders to be held in 1993.

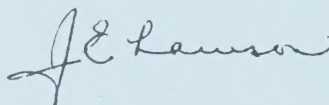
The persons named in the enclosed Form of Proxy intend to vote to fix the remuneration of the Auditors of the Bank at a sum not to exceed \$920,000 (1991 - \$875,000) to be divided between them.

AVAILABLE DOCUMENTATION

The Bank is a reporting issuer under the securities acts of all of the provinces of Canada and is therefore required to file financial statements and information circulars with the various securities commissions. The Bank also files an annual information form annually with such securities commissions. Copies of the Bank's latest annual information form, annual financial statements, any interim financial statements filed subsequent to the filing of the most recent annual financial statements and proxy circular may be obtained on request from the Secretary of the Bank.

DIRECTORS' APPROVAL

The Board of Directors of the Bank has approved the contents and sending of this Management Proxy Circular.



J.E. Lawson
Vice-President & Secretary

Montreal, December 3, 1991

